GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:273
ANSWERED ON:07.12.2001
EXPORT OF GEMS AND JEWELLERY TO USA
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) the value of the export of gems and jewellery items exported to America during each of the last three years; (

(b) whether there has been any decline in the export of these items; (

(c) if so, the reasons therefor; and (

(d) the steps taken by the Government to boost its export?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d): As per the provisional figures given by the Gem and Jewellery Export Promotion Council, Mumbai (GJEPC), the export of gems and jewellery items to the United States of America during each of the last three years is as under:-

Items of Export	1998-99		1999-2000		2000-2001	
	Rupees in Crores	US dollars in Millions	Rupees in Crores	US Dollars in Millions	Rupees in Crores	US Dollars in Millions
Cut and polished Diamonds	7972.56	1900.18	10546.51	2442.44	9702.33	2144.33
Colored Gemstones	319.74	76.52	418.88	96.96	472.18	103.72
Gold Jewellery	1827.99	436.55	2584.69	598.60	2930.39	646.21
Others	121.79	29.06	116.49	27.05	167.09	36.76
Total	10242.08	2442.31	13666.57	3165.05	13272.00	2931.02

From the above data it can be seen that there has been a growth of 29.59% in exports during 1999-2000 over the year 1998-1999 in dollar terms, (33.43% in Rupee terms) and a decline of 7.39% during 2000-2001 over the exports in the year 1999-2000 in dollar terms (a decline of 2.88% in Rupee terms). The over all increase in exports in 2000-2001 over 1998-1999 is 20% in dollar terms (29.58% in Rupee terms) .

As per the provisional figures of GJEPC, the export of gems and jewellery to USA during April 2001-October 2001 were US$ 1478.22 million as compared to US$ 1922.29 million during the corresponding period in the previous year showing a decline of about 23.1% in dollar terms and about 19.2% in Rupee terms.

The major reasons for decline in exports are as follows:

(a) Economic slow down in the developed countries.

(b) Fall in gold price in the international market resulting in corresponding decrease in the export value of the gold jewellery.

(c) Tremendous growth in intake by major markets during the year 1999-2000 due to euphoria created by the millennium year, and some goods are still held in the pipeline by the trade.

(d) The devastating earthquake in Gujarat on 26th January, 2001 also had a dampening effect on the diamond industry particularly in Ahmedabad and Surat.

Government have identified gems and jewellery as one of the thrust sectors for exports and in order to give a boost to the exports of gems and jewellery, the Government and the GJEPC have taken several initiatives. Some of the important initiatives include: -

- Preparing of a medium-term export strategy;

- Exploring the possibilities of direct procurement of rough diamonds from diamond mining countries;

- Providing funds under Critical Infrastructure Balancing Scheme to Sardar Vallabhbhai Patel Centre of Jewellery Design and Manufacture, under the auspices of Indian Diamond Institute at Surat to give a fillip to jewellery design and manufacturing;

- Promotion of the image of India`s gems and jewellery abroad through frequent advertisements/publicity campaigns in international trade journals; participation in international fairs, buyers-sellers meet, direct approach to mass retailers etc.;

- Exploring and identifying new markets by undertaking market studies through expert consultants and by deputing Indian designers to various international trade fairs and exhibitions for on-the-spot study for latest trends in designs;

- Newer markets in the Latin American Countries are also being closely analysed for evolving a strategy for promotion of gems and jewellery exports from India;

- Promoting Hall Marking of gold jewellery in India through publicity campaigns so as to create an image of quality for the made in India jewellery.

- Based on the feedback and requests received from the exporters and GJEPC, necessary amendments were carried out in the last Exim Policy with a view to facilitate exports.